ARTICLE APPEARED ON PAGE C-L

NEW YORK DAILY NEWS 10 July 1985

Say gen. tapped spy till

West Palm (UPI)—A former Air Force general charged with stealing from secret spy fund ordered \$10,000 transferred from the fund's Swiss bank account into "petty cash," for a special project, a former aide testified yesterday.

Retired Maj. Gen. Richard Collins, 55, a much-decorated fighter pilot, is on trial in U.S. District Court on charges he diverted \$450,000 from the government fund and kept \$19,000 in

under Colfins in 1974 and 1975, said

Beach. Fla. he was "quite concerned about the potential for Gen. Collins to manipulate" the secret Swiss bank account. which even Congress did not know about.

> Jones said Collins ordered him to transfer about \$10,000 from the account into petty cash for a special project, but did not give details of the project.

"Money was laundered into the account from legislative appropriations," defense attorney Stephen Bronis told the 12-member jury in openmg statements before U.S. District Interest James Pame or went to in Lt. Con Martin Jones, who served hanse covert operations."

He said he expected the federal

prosecutors to deny such a fund exists for purposes of paying for covert operations.

"The account was an embarrassment . . . a political time bomb," Bronis said. Collins was told to keep the account hidden and active for use in spy missions in Southeast Asia during the Vietnam War, and, he added, "not one penny went to Gen. Collins' personal use. He was simply told to get the job done."

Collins has threatened to divulge classified information to prove he did not steal from the account.

Defense lawyers contend Jones embezzled the money and tried to lay the blame on Collins.